

2ND ANNUAL

GHN HOSPITALITY INDUSTRY OUTLOOKS



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From GHN CEO & Publisher



Robert G. Harp
CEO & Publisher
GlobalHotelNetwork.com

The 2nd Annual GHN Hospitality Industry Outlooks eBook is brought to you by GlobalHotelNetwork.com and through the exclusive sponsorship of Mood Media, MasterCard and Infor.

GlobalHotelNetwork.com, publisher of expert market insights and thought leadership perspectives for the global travel and tourism industry, asked its [Advisory Board](#) of 20+ hotel company presidents and CEOs to provide an industry outlook, in addition to commenting on these specific questions:

- 1) What new initiatives or innovative technologies have you deployed/considered to enhance the guest experience?
- 2) Cost efficiency is crucial in the travel Industry—what are your top cost drivers your hotel chain is focused on and where do you see the biggest efficiency opportunities in the years to come?
- 3) In your view, what are the smartest technology investments and process improvements hoteliers could make today to insulate their business against future downturns?

We sincerely thank these executives from our [Advisory Board](#) for taking the time to share their perspectives: **Christophe Alaux** (AccorHotels North & Central America and Caribbean—Member of the Group Executive Committee), **Radha Arora** (Rosewood Hotels & Resorts), **Monty J. Bennett** (Ashford Hospitality Trust), **Thomas J. Corcoran, Jr.** (FelCor Lodging Trust), **Mike Crawford** (Four Seasons Hotels and Resorts), **Eric Danziger** (Trump Hotel Collection), **Marc Dardenne** (Patina Hotels & Resorts),



Mike Deitemeyer (Omni Hotels & Resorts), **Greg Dogan** (Shangri-La International Hotel Management Ltd.), **Gavin M. Faulkner** (Swiss-Belhotel International), **Alan J. Fuerstman** (Montage Hotels & Resorts), **Stephen Ho** (Starwood Hotels & Resorts Worldwide, Inc.), **Gabriel Escarrer Jaume** (Meliá Hotels International), **Omer Kaddouri** (Rotana Hotel Management Corporation PJSC), **Kirk Kinsell** (Loews Hotels & Resorts), **Thorsten Kirschke** (Carlson Rezidor Hotel Group, Asia Pacific), **Clement Kwok** (The Hongkong and Shanghai Hotels, Limited), **Christopher J. Nassetta** (Hilton Worldwide), **Paulo Pena** (Wyndham Hotel Group), **Mark Satterfield** (Marriott International MEA), **Paul J. Sistare** (Atlantica Hotels International), **Richard Solomons**, Chief Executive Officer, InterContinental Hotels Group and **W. Edward Walter**, Host Hotels & Resorts).

Respectfully,

Robert G. Harp
CEO & Publisher
GlobalHotelNetwork.com



Introduction from our Sponsor



Ken Eissing
President In-Store Media
Mood Media Corporation

The hospitality industry is currently in the midst of an exciting yet critical period in which expectations for value and a high-quality guest experience are constantly rising. With ever-advancing technology and a continuous increase in the number of global travelers, it's essential that businesses strive to meet those expectations and connect with their guests in more personal and memorable ways than ever before.

Those who meet the challenge, successfully integrating emerging technologies while maintaining the tried and true fundamentals of great hospitality, stand to achieve the greatest success and emerge as leaders in the space.

At Mood, we are proud to sponsor this publication by GHN and to be a trusted partner for today's most forward-thinking businesses. Using audiovisual solutions, sensory marketing, interactive applications and more, we empower distinctive hotel, resort and casino brands to exceed guest expectations and offer holistic and memorable guest experiences around the world, preparing their business to meet the evolving needs of their guests.



Introduction from our Sponsor



Catharina Eklof
Senior Vice President
Global Merchant Development
MasterCard

Today's travelers are global in every sense of the word. The top three global destinations—London, Bangkok and Paris—together attracted more than 52 million international visitors in 2015, according to the MasterCard Global Destination Cities Index. But travelers are also seeking a global, or all-encompassing, approach from their travel providers. From the first search to booking to arrival to service to checkout, a consistent, convenient, connected experience is the way of the future.

Striking the right balance between self-serve technology and high-touch customer service will be critical to building lasting relationships with guests. We're excited to sponsor this publication at such a critical time for the hospitality industry as it seeks to understand and harness the services, solutions and tools that will drive growth without losing the unique service elements that make visitors feel at home—wherever they are.

At MasterCard, we understand that you need to drive room-, F&B-, MICE sales, enhance efficiency and deliver a top-notch customer experience. With cutting-edge payment security, data-driven insights, loyalty programs in over 100 countries and future-forward payments technology that powers direct online and mobile sales, we help the hospitality industry meet customers' evolving needs across channels, from payment security to convenience to rewards. Our commercial, travel and retail solutions make it faster and more cost effective to pay and be paid by suppliers and other business partners. Across channels, around the world and in an omni-channel environment.



Introduction from our Sponsor



Stuart Applbaum
Senior Vice President & General
Manager
Infor

As a sponsor of the *2016 GHN Hospitality Industry Outlook eBook*, we're proud to help bring these perspectives on the exciting momentum taking place in our industry directly from the world's leading executives to you.

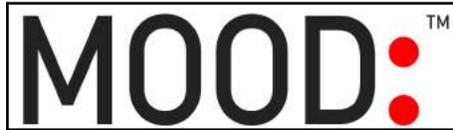
At Infor, we understand that maintaining a competitive edge means being able to manage your organization's reputation through social media and accommodate guests and potential guests in all the ways they reach you—via tablet, smartphone, or other mobile device. Meanwhile, consumers are demanding a better guest experience and more for their hospitality dollar—more ways to interact with a hotel, more offers, more information, and faster response.

Infor solutions include all of the capabilities to manage the hospitality enterprise with functionality that is built-in, not added on. And the scalable flexibility of our cloud-based systems help all segments of the industry, from independent hotels, smaller chains, and global brands to get up and running quickly. Our brand promise means faster deployments and upgrades, fewer modifications, and less disruption—as the business accelerates.

As a provider of technology to over 20,000 hospitality companies in more than 100 countries, including 9 of the 10 largest brands in the world, we at Infor are working every day to help hoteliers optimize their enterprise by driving revenue more profitably from the front-desk to the back-office. All with a goal of delivering a better experience for executives, staff, and guests. It's our sincere hope that the insights you gain from the executives profiled here contribute to your continued success.



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GHN 2016 Outlook: Christophe Alaux **AccorHotels**



Christophe Alaux
CEO

*AccorHotels North & Central America and Caribbean -
Member of the Group Executive Committee*

Initiatives and innovative technology

In November 2014, AccorHotels announced that it will invest a significant €225 million between 2014 and 2018 to bring all of our new digital initiatives to fruition.

AccorHotels is the leading hotel operator worldwide, backed by strong resources and unparalleled expertise. Combining these assets with our new digital ambition will allow us to expand our operational excellence throughout the entire industry value chain, to better anticipate customers' expectations, and to bolster our leadership over the long term. Our industry has become very digital and that has compelled us to reconsider the way we do business and fully immerse ourselves as an involved actor of the digital revolution in order to thrive in this very competitive landscape.

The digital plan relies on existing robust tools, some of which have been significantly improved since the beginning of 2014, and which keep evolving:

TARS, The AccorHotels Reservation System, is a powerful distribution tool, which today centralizes 59% of the Group's bookings and over five million inquiries per day.

AccorHotels.com is the Group's multi-brand booking portal, which manages an average of 45,000 reservations per day. It is already available in 32 local versions and 16 languages and now offers a new trip planning service (My Trip



Planner) that enables customers to prepare their stays in 70 destinations around the world.

Le Club AccorHotels is the Group's multi-brand loyalty program, which added over 3 million new members in 2014 and increased its generosity. It is the only hotel loyalty program in the world that allows customers to redeem points with no time or availability restrictions.

External growth

We are looking at small start-ups that are developing state-of-the art technologies following 2 angles: either to improve hotel performances (connected cart) or to improve customer experience (Wipolo). The acquisition Wipolo is a perfect example of our digital external strategy.

Acquisition of Fastbooking

Fastbooking's technology, products and expertise will afford AccorHotels a competitive edge in the digital world. This take over blends beautifully into the Group's drive to roll out its digital strategy. This takeover will:

- Cement the Group's expertise in key specialist technologies such as booking engines or connectivity;
- Speed up Digital Factory, one of the Digital plan's Group-wide projects aimed at bringing AccorHotels hotels an ample choice of digital and technology services.

Marketplace specific

Marketplace is a major initiative aimed at bolstering our positions on the digital distribution landscape, by setting up an expertise activity to provide BtoB digital services. AccorHotels is a hotelier serving hoteliers. By opening up our marketplace, we are offering an opportunity to open up a new distribution channel on the AccorHotels.com platform, to benefit from the strong audience of AccorHotels.com to receive booking from important markets in Europe, Asia Pacific and South America at a lower cost than bookings that they get from OTAs.

Independent hotels will also have the opportunity to contract with Fastbooking for the Digital solutions that they provide to help, hoteliers develop their web direct revenue. Such services include hotel website development, keyword metasearch and display campaigns, possibility to access an efficient booking



engine for their website or a channel management tool for their PMS and Tools to optimize revenue such as a rate comparator.

Other partnerships and recent initiatives

Apple Watch—By launching this AccorHotels.com application for Apple Watch™, we are establishing ourselves as an audacious digital hospitality player. This policy is part of the group’s digital plan, which aims to accompany the changeover to new mobile practices

Samsung - Samsung Electronics Co., Ltd and AccorHotels Group, the world’s leading hotel operator, announced a partnership to roll out Samsung’s SMART Hospitality Display technology across AccorHotels’ properties spanning 92 countries in October 2015.

Recent announcement of acquisition of FRHI Holdings Ltd (FRHI), parent of Fairmont, Raffles, and Swissôtel

Last month, AccorHotels announced the acquisition of a 30% stake in Oasis Collections, the company which pioneered the “Home meets Hotel” category of accommodations, blending the value and authenticity of private rentals with the service, quality-control and amenities of a hotel.

Last month, AccorHotels announced the strategic investment in Squarebreak, offering to guests through a digital platform private upscale properties in resort locations, primarily in France, Spain and Morocco, and leveraging local property managers on behalf of homeowners by using hotel management techniques and services.

Loyalty

Le Club AccorHotels offers new benefits and access to “money can’t buy events,” inimitable moments that are only available to platinum members. Increased recruitments in 2015.

Voice of the guest

Customer-centric program that measures guest satisfaction to shed greater insight into guest feedback. These reviews can be used to improve practices and correct what needs to be corrected to improve upon guest satisfaction.



Cost efficiency and drivers

Best way to optimize cost allocation is to prioritize top line drivers. Some bigger cost drivers include the balance of marketing spend—be able to reallocate traditional and digital marketing spend accordingly for maximum return...more focus on social business. We also have new F&B initiatives in place to minimize unnecessary waste and lower related costs.

AccorHotels has been committed to sustainable development for over 20 years through its program PLANET 21. Since 2011, the Group has reduced the energy consumption and CO2 emissions of its portfolio of owned, leased and managed hotels by 4.5% and 3.8% respectively. This year, HotelInvest reinforced its commitment to sustainable construction by always opting for certification based on environmental and energy standards (HQE, LEED, BREEAM, DGNB) for owned, leased hotels built from 2015 onwards. As a matter of fact, it was an official partner of the 21st International Conference on Climate Change (COP 21), which aims to achieve an international agreement on the climate, and will be hosted in Paris from next 30th November to 11th December.

Reducing our carbon footprint and energy costs: Caused mainly by the burning of fossil energies, CO2 is one of the greenhouse gases most responsible for climate change. AccorHotels is committed to reducing its energy consumption with the goal of limiting its carbon footprint.

Energy Reduction

Ever more scarce and costly, fossil energies are a major challenge for our increasingly energy-intensive society. Along with technological innovations, energy savings represent a solution to this problem.

Overall, 75% of the energy consumed by AccorHotels is in its hotels, the vast majority of which have been equipped with energy-efficient light bulbs. Maintenance programs to optimize its facilities' operations have also been strengthened.

AccorHotels has developed a methodology called BOOST, which is based on an analysis of technical installations in its hotels. It has helped to significantly reduce water and energy consumption—up to 25% for some hotels—solely through



employee training programs and action plans, without any additional investment in hotel installations.

CO2 emissions

Despite the large number of climate summit conferences and strict regulations, CO2 emissions continue to rise. The Group's environmental impact study showed that 66% of its greenhouse gas emissions come from fuel burned in the hotels, while 15% was agriculture-related, mainly for livestock feed and food transport.

In addition to its efforts to reduce energy use, AccorHotels has launched a project to reduce the carbon impact of its food services offering. Between 2011 and 2013, on the basis of Energy Reporting data, AccorHotels noted that its greenhouse gas emissions had increased by 0.6% at comparable scope of reporting. This was partly due to hotel acquisitions and sales, and partly to the quality of the data supplied in 2011.

Technology investments and process improvements

Guest-centric tech investments are the smartest technology investments—includes mobile check-in, being able to book through user-friendly websites, et al. Through Voice of the Guest, we can quickly measure guest feedback and improve upon our services and offerings in a shorter amount of time. Any technology that will allow us to service our guests better are the best investment.





***GHN 2016 Outlook:* Radha Arora Rosewood Hotel Group**



*Radha Arora
President
Rosewood Hotels & Resorts*

Initiatives and innovative technology

Mobile booking is on the rise and is only going to get more and more popular. I strongly believe that the experience a guest has online has to mirror the outstanding experience that they receive on property. We are therefore investing in our digital strategy to ensure that our website is as appealing and engaging as possible and the booking process is smooth, simple and easy. We are a brand that is built on relationship hospitality whether that be in the physical or digital world.

Cost efficiency and drivers

As a luxury brand, our focus is more on delivering an outstanding experience which exceeds guests' expectations but is also seen by them as offering true value for money. Rosewood has embarked upon an ambitious global expansion while also committing a substantial investment to the refurbishment of our existing properties. While we are always looking to operate as an efficient business, the growth of our portfolio and the actions needed to raise our brand awareness are the biggest opportunities for us.

Technology investments and process improvements

A guest's journey to a hotel can start from the moment they start researching their trip online. One has to ensure that the booking process is as simple, intuitive and



user-friendly as possible remembering that travelers often search across multiple devices. Investing in mobile technology and staying ahead in this fast-changing world is key to surviving any possible downturns. But, at the same time, there is real value in establishing emotional connections with guests. When times are hard, people naturally gravitate to places where they feel welcome, cared for and happy.

R O S E W O O D

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***GHN 2016 Outlook:* Monty J. Bennett Ashford**



*Monty J. Bennett
Chairman & CEO
Ashford*

It has been several years since there was so much uncertainty around a hotel industry forecast as there is in 2016. Most industry pundits are forecasting U.S. RevPAR growth around 5% for the year, lodging REIT CEOs are a bit more cautious forecasting 3% to 5% growth, while many institutional investors and some sell-side analysts are forecasting negative RevPAR growth in the second half of 2016. The dispersion of forecasts is the highest it has been since the financial crisis.

As a result of this uncertainty and lack of conviction around fundamentals, private market cap rates have risen over the past year to the tune of at least 100 basis points, while public lodging REIT stocks have dropped 40% to 50% on average over the past 12 months. Two other broader macroeconomic data points have also contributed to the weakness. First, debt markets (especially the high yield markets) have materially weakened due to broader concerns of debt defaults associated with crashing oil and energy prices. When high yield debt markets move, public and private hotel values typically move with them. Second, with countries all over the world aggressively trying to devalue their currencies to grow their exports and stimulate inflation, the U.S. dollar has risen in value, discouraging inbound foreign travelers to the U.S.

Despite these headwinds (and many cases because of them), we believe there will be attractive opportunities to invest in both public hotel securities and private hotel assets in 2016. Most of the lodging REITs are trading at massive discounts to the underlying private market values of their assets. Many of them are trading at cap rates between 9% and 10%, which, given the quality of their assets, is a very attractive opportunity for



investors. Also, with the increasing private market cap rates, we believe that those who have the liquidity and fortitude to buy assets amidst uncertainty can create some very attractive cash on cash yields and long-term returns.

Finally, I was asked to address the following three questions briefly:

- 1) *What new initiatives or innovative technologies have you deployed/considered to enhance the guest experience?*
 - A very important operational initiative we have been focused on has been helping develop a true mobile key solution for the hotel industry that spans across all brands and lock companies. We have partnered with an amazing startup, OpenKey, (and we've encouraged our fellow hotel owners, brands and lock companies to join us) as we believe one of the best ways to reclaim some of power from the OTAs is to have an industry standard mobile key for hotel room locks. You can find out more about this initiative at <http://openkey.co>.
- 2) *Cost efficiency is crucial in the travel Industry—what are your top cost drivers you as a hotel chain are focused on and where do you see the biggest efficiency opportunities in the years to come?*
 - We see great cost efficiencies available right now in three different areas: energy (with smart energy sensors and management platforms), labor (increasing productivity via real time allocation/deployment systems and inventory management systems), and intermediary costs (distribution channel cost analysis tools such as that offered by Kalibri Labs and marketing-enhancing data from guests that may have booked through OTAs via OpenKey).
- 3) *In your view, what are the smartest technology investments and process improvements hoteliers could make today to insulate their business against future downturns?*
 - We think the best way is to aggressively invest in customer friendly initiatives such as Openkey. This mobile technology will allow guests to completely bypass the front desk and go straight to their room, using their smart phone as their room key. Truly innovative technology.



ASHFORD



***GHN 2016 Outlook:* Thomas J. Corcoran, Jr. FelCor Lodging Trust**



*Thomas J. Corcoran, Jr.
Chairman of The Board
FelCor Lodging Trust*

I am very positive on the outlook for the hotel industry for 2016. The industry will have another positive RevPAR year above the 20-year average. In addition supply will be in check. Certain markets will have individual negative impacts from supply and problems in the price of oil, specifically parts of Texas and New York. Those negative impacts will be offset by cheap gas prices which will create more leisure demand across the country. In addition, I expect this positive RevPAR trend to continue throughout the next three years.

Initiatives and innovative technology

Technology is clearly a very important part of the improving overall experience for our hotel guests. The guest expects to have connectivity at their hotel and in their room for multiple devices. The guests are going to expect to be able to text someone at the hotel for instant responses to their needs. In addition people are wanting to use their device to connect to the TV for access to their Netflix account and other personal premium channels. The most important challenge for our industry is to provide the bandwidth to meet the customer expectations.

Cost efficiency and drivers

The most important escalating cost to hotel owners is the cost of distribution expense to drive occupancy and rate at the hotel. In addition the labor costs are also an issue as many local governments are mandating new minimum wage and living wage increases.



The owner must get a handle on the distribution costs with a focus on the net RevPAR as compared to the gross RevPAR. The focus should be on driving the highest rate with the lowest distribution cost as all room rates are not equal to EBITDA contribution.

Technology investments and process improvements

I am not sure if technology improvements are able to or will be able to soften a downturn because it depends on how deep of a downturn and the impact of new supply. I do not see any evidence of a downturn in the next few years that would negatively impact RevPAR below GDP. Nevertheless those with the best product and best customer experience will outperform those who have not invested in keeping their hotel competitive and on the leading edge of technology.





GHN 2016 Outlook: Mike Crawford **Four Seasons Hotels and Resorts**



Mike Crawford
President, Asia Pacific
Four Seasons Hotels and Resorts

Initiatives and innovative technology

Our newly launched Four Seasons Mobile App, and China Mobile App are both innovative pieces of technology that will allow us to know our guests so we can provide exceptional service during their stay. These "do everything" apps allow guests to plan for every stage of their journey—planning for what to do, check in, order room service from anywhere, and check out. Our mobile applications make it even more convenient for guests to communicate with our hotels, and for Four Seasons we can better anticipate their needs and personalize our service to an even greater degree.

A new Business Improvement technology platform will allow our hotels to make better/faster/more intelligent business decisions. Performance statistics are centralized in one database and easily available real time through mobile devices so information can be accessed on the go.

Lastly, we continue to focus on employee training, particularly in areas such as guest recognition and ensuring that personal guest data gathered is accurate and secure.

Cost efficiency and drivers

Labor is the key area where cost efficiency can be realized. We are continuing to deploy a shared service model for labor productivity, as well as allowing more "our leadership" over key functions in our hotels. This not only provides cost savings opportunities, but



increases our ability to attract and retain top talent in every market. The key is to be thoughtful while introducing this model and to not reduce the level of quality and service our guests and owners have come to expect from Four Seasons as the leading luxury hotel and branded residential company in the world.

More specific to the Shared Services model we are starting with a focus on revenue productivity. Key areas such as Revenue Management and Operations Finance provide specialized talent to be shared across hotels, thus decreasing cost and optimizing hotel performance.

Direct Booking is a critical focus for cost reduction. Continuing to make Four Seasons distribution channels user friendly, while elegant, and brand representative will allow a lower cost of sales. While key relationships with third party channels will always be important, being strategic about how we leverage all distribution channels allows us to reach every guest demographic in the most cost efficient manner.

Technology investments and process improvements

Implementation of a productive, user friendly Mobile App to improve our guest experience and a new Business Improvement platform to help us to make better business decisions.

The Four Seasons culture is all about a continued focus on exceptional guest service, understanding our guests as individuals, and delivering a personalized service that we can customize to exceed our guests expectations. Technology that will allow this to happen is important for us as a single branded luxury hotel company. This may also mean integrating with other technology providers to allow that exceptional service to occur.

Lastly, safeguarding personal guest information is critical, as greater use of technology creates more efficiency in the way guests engage and experience our product around the world.



FOUR SEASONS
Hotels and Resorts



***GHN 2016 Outlook:* Eric Danziger Trump Hotel Collection**



*Eric Danziger
CEO
Trump Hotel Collection*

Initiatives and innovative technology

At Trump Hotels, we are fully dedicated to providing guests with personalized service that is unrivaled in the luxury market. In fact, we recently announced the TRUMP CARD® Privileges Program, which marries exclusivity and insightful service with the unwavering Trump standard of excellence.

Through this loyalty program, we are able to reward loyal guests with personalized top-tier travel experiences and enable them to earn and redeem credits for complimentary upgrades and room nights. As part of the program, we introduced three member status tiers with benefits including welcome amenities, 4:00 PM checkout, complimentary suite upgrades, mini-bar credits and more.

Additionally, Trump Attaché service meticulously keeps track of individual preferences and delivers personalized attention, providing an unprecedented level of VIP treatment upon arrival.

Cost efficiency and drivers

Trump Hotels' primary differentiation is the direct oversight and management of properties by the Trump Family from the initial concept stage. With more than 30 years of experience developing and managing luxury real estate assets, a seasoned team of hospitality experts at the helm and a well-established profile in the hospitality industry, we offer a comprehensive approach to hotel development, with every facet housed



within our organization (residential, office, commercial, hotel, golf and mixed-use properties).

Trump Hotels is also unencumbered by layers of customary hotel management and bureaucracy. Because of this, we are able to remain nimble and efficient in our everyday operations.

Technology investments and process improvements

This year, many of our initiatives are focused on technology and creating a seamless experience for our guests. In the coming months, Trump Hotels will introduce new platforms, designed to engage with guests on a more meaningful level. We believe that these investments will continue to distinguish us and will be reflective of the uncompromising standards at the essence of the brand.

T R U M P

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***GHN 2016 Outlook:* Marc Dardenne**
Patina Hotels & Resorts



Marc Dardenne
CEO
Patina Hotels & Resorts

Initiatives and innovative technology

The most fundamental innovation for our brand is our Patina 360 degree Concierge concept that is an industry first and will differentiate us in a very crowded luxury hospitality market space. The Patina 360 degree Concierge concept is inspired by how we value the passions and skills of every team member. Our philosophy is that each employee is an ambassador of the brand – their deep inside knowledge providing guests with perfect art, dining and cultural itineraries to match their individual tastes and interests. By encouraging and empowering them to share their local understanding, Patina can deliver highly personalized and meaningful services to guests. Our motto is creating “distinctive memories one guest at a time.”

Cost efficiency and drivers

Patina Hotels and Resorts is operating in the ultra-luxury hospitality segment where team members are crucial in delivering a memorable experience and exceeding guest expectations at all times. Service comes with a high numbers of employees and therefore payroll cost is our top cost driver. We have focused on developing a flat organization that delivers seamless, genuine and personal service through multi-skilled ambassadors who are empowered to turn hotel stays into memorable guest experiences.



Technology investments and process improvements

Distribution is the name of the game and I believe that independent hotels like The Patina, Capitol Singapore have a better chance to excel today considering the accessibility to various distribution channels if they invest in the necessary technology. Whilst the large players in the market such as Marriott/Starwood, Accor/Fairmont/Swissotel/Raffles, InterCon and Hilton have the benefit of size, we feel that offering a differentiated product and services will set us apart in the ultra-luxury segment. In terms of room technology we have taken a high tech/low tech approach. Whilst we offer two tablets in every room from which guests can control all functionality in the room we are offering also the simple on and off switch for guests who prefer a more traditional approach to in-room controls.



P A T I N A

HOTELS • RESORTS



***GHN 2016 Outlook:* Mike Deitemeyer Omni Hotels & Resorts**



*Mike Deitemeyer
President
Omni Hotels & Resorts*

Initiatives and innovative technology

As the hospitality industry is flush with data, we are investing in enhanced personalized marketing efforts to consolidate that information to better understand our customers and what they value in a hotel stay. A specific advantage we have today versus the past is the tidal wave of information available from customer mobile phones, social media and digital behavior on our website, booking behaviors at OTAs, and so on. Based on this data, we can home in more closely on customer preferences and expectations to tailor a customized experience for a future stay.

Ultimately, we would like to become even more acquainted with our guests and their stay history to enhance future experiences, and ensure they are memorable and truly authentic. Our goal is to know our guests, understand their likes and dislikes, and what motivates them.

Cost efficiency and drivers

Top drivers include labor management and the associated software. Our strategy is dedicated to enhancing the customer experience, and differentiating our brand from the competition.

Our biggest assets and resources are our associates. They interact with guests at every point of their stay from check in to check out, so they ultimately influence our reputation every day. We are implementing tools and technology that will help our brand be more



efficient than it already is—the efficiencies improve the customer experience. The more we understand about the guest experience and how they move throughout our properties during their stays allows us to ensure our staff is deployed as efficiently as possible.

The real key is balancing the customer experience with labor management. It is all about our associates, how they are utilized and determining where they fit into the guest experience. We have numerous programs and trainings in place that help our hotels adequately staff in high demand or need areas, with the ultimate goal of providing guests with a great experience.

Technology investments and process improvements

There are a couple of key areas to focus on, including customer acquisition and loyalty, and flexible labor management systems.

One of the smartest investments a hotelier can make is investing in new distribution technologies that will reduce the cost of customer acquisition in the long run. The upfront investment will help us continue to build our customer base, which in turn will put Omni at the forefront of their purchase decision process. However, we must be methodical about the approach and customer acquisition and loyalty strategies must be complementary of one another. Loyalty allows us to build connections and incentivize new customers, who in turn become repeat guests who are making higher-cost, more “considered” purchases.

Another smart investment is in flexible labor management systems—specifically applying technology and the internal process to forecast your needs not only during high demand times but also during a downturn—even if it’s a short down cycle. As previously stated, a real key is balancing the customer experience with labor management. When we properly prepare for the lower periods we not only save on the bottom line, but we can help grow the top line when we provide a wonderful guest experience.





***GHN 2016 Outlook:* Greg Dogan Shangri-La International Hotel Management Ltd.**



*Greg Dogan
President and Chief Executive Officer
Shangri-La International Hotel Management Ltd.*

The ongoing economic slowdown in China has continued into the first quarter of 2016, and impacted the region's outlook causing a slowdown of Asia's hospitality industry. While we will be challenged by the global economy in the year ahead, we are hopeful of the continuing rise of key Asian economies and the emergence of a global middle class to drive increased travel.

Even in the midst of uncertainty, it is important to stay nimble, and to keep adapting and enhancing to differentiate the brand experience. We always ask ourselves how we can leverage technology to transform the guest's experience into something truly memorable—for example, Shangri-La implemented free Wi-Fi across its properties in 2009, and in its operated limousines from 2013. Since significantly expanding the capabilities of our wireless systems, we have also removed complicated log-in processes to make internet connection as seamless as possible.

Initiatives and innovative technology

In October 2015, we were especially proud to have been the first in the industry to integrate virtual reality technology into worldwide sales efforts. Shangri-La introduced Virtual Reality (VR) headsets across all Global Sales Offices to enable travel and meeting planners and clients to virtually experience Shangri-La hotels and destinations around the world—you could be in a spectacular ballroom in Hong Kong one moment and then “travel” to the vast grasslands of Mongolia the next. Immersive videos that



allow our clients to better understand our products and services, and destinations, is incredibly beneficial and plays an integral role in the decision making process. Looking forward, technology will remain a focus as hoteliers continue to evaluate and invest in different social and digital channels to drive new business. Just as technology has shaped the way we communicate and engage with customers, it has also shifted the way guests consume information for social and business purposes. Today's consumers connect with brands across multiple touchpoints, channels and devices and expect a high level of personalization regardless of how and where they connect. Having overhauled our CRM platform, upgrading our database and analytics capabilities, we're now redesigning our entire branded digital presence to deliver a responsive, authentic and personalized digital experience to guests.

In our industry, there is a huge dependency on labour and although it is our largest operating expense, we see efficiency opportunities from the redesign of back-of-house systems, selecting the right talent for the job, training and developing talent, to investing in technology to maximise productivity. We are in the business of taking care of guests and this will remain first and foremost while delivering exceptional experiences.



SHANGRI-LA

HOTELS *and* RESORTS



***GHN 2016 Outlook:* Gavin M. Faull, JP Swiss-Belhotel International**



*Gavin M. Faull, JP
Chairman & President
Swiss-Belhotel International*

If we take a careful analytical stare at the world's economic outlook for 2016 we have to conclude that the glass is half-empty. If we focus on the hotel industry, the glass seems even emptier.

It is dangerous to try and make a global economic assessment and the world is definitely not a level playing field and every continent and every country is at a different stage of the economic cycles of development, expansion and contraction. The global economy is presently lacking the dynamic business traits to ensure stability and growth. The leading economic driver is now the United States of America (having taken over from China) but we are seeing the dramatic slow down of the main driving economy of the last decade—China. The reaction of the stock markets in early 2016 is a real warning that we are in for a turbulent year. So caution is the watch word.

Compounding the economic woes of China—which is still needing further correction in 2016—the collapse of the Russian economy in 2015 and the political uncertainty of North Korea, The Middle East and parts of Eastern Europe further compounded by political tensions between east and west and the issues with global security, there are huge concerns of the economic impact of any disturbance or security explosions.

The world monetary instability, the collapse of oil prices and the lack of economic growth generally is a further warning.



The tourism industry is very sensitive to all these elements. There is a drop off in Middle Eastern tourism yet growth in tourism in the safer areas of the world like Australia and New Zealand is strong.

It does seem that the world is in a state of uncertainty; of distrust; of racial and religious conflict; of political confusion. It would be unfair to lay blame for these global situations solely on ethnic or religious discords because violence, instability and conflict erupts for a variety of sources. The Paris, Istanbul and other creed-related incidents are the most public and exposed, but riots, massacres and insane violence in the West such as we see in the United States has huge and immediate impact on the tourism and business travel.

It is a time of caution and critical management.

It is a time of careful management of costs and investment.

It is a time of strategic thinking and planning.

There are also other compounded business elements coming from the global communication and electronic developments. This is perhaps the most exciting and challenging area for the tourism investor and tourism entrepreneur. The internet and e-commerce is replacing the traditional sales and marketing networks. Airbnb and Uber are having a huge impact on the hotel and transportation industries as the consumer has new and direct channels of access to these markets on an instantaneous basis.

Exciting, challenging but creating opportunities.

Nevertheless there are always opportunities.

Swiss-Belhotel International continues to expand with 130 hotels and projects in 20 countries

Swiss-Belhotel International will open over 20 hotels in 2016.

Swiss-Belhotel International will be taking its new Zest Hotel budget design specific product to the international market after opening 6 pilot properties in Indonesia in 2015.

Swiss-Belhotel International continues to take advantage of the huge growth in



outbound tourism from China and India to its hotels in Asia, Australasia and The Middle East.

But we continue to be cautious.

In 2015 we opened an office in Europe and are now on an aggressive expansion plan for this area.

We are discussing joint ventures in China, in Eastern Europe and Asia. We have also been invited to look at the North Africa areas.

As a relatively small company we can move and react fast.

We are looking at the growth opportunities of e-commerce and the social media.

Swiss-Belhotel International has expanded its suite of brands in reaction to market demand. Our brands revolve around our core brand of Swiss-Belhotel and we now have 10 brands: Grand Swiss-Belhotel, Grand Swiss-Belresort, Swiss-Belhotel, Swiss-Belresort, Swiss-Belresidences, Swiss-Belvillas, Swiss-Belinn, Swiss-Belboutique, Swiss-Belcourt, Swiss-Belexpress.

And with Zest Hotels International focused on the designer budget hotel we have—Zest Plus, Zest, Zest OK—giving huge opportunity for a small global hotel management group.

Office locations are in Hong Kong, China; Shanghai, China; Hanoi, Vietnam; Jakarta, Indonesia; Bali, Indonesia; Sydney, Australia; Auckland, New Zealand; Dubai, United Arab Emirates; Athens, Greece.

With the consolidation of large international hotel management groups, Swiss-Belhotel International feels confident that we can present a very viable and flexible hotel management alternative which the market is interested in.

Swiss-Belhotel International is also looking at market investment opportunities with leases, management rights and real estate acquisitions presently being negotiated. This gives a new dimension to the Group and strengthens the Balance Sheet of Swiss-Belhotel International. Capital investment partners are also being considered.



Initiatives and innovative technology

- Mobile websites
- Mobile apps
- Mobile check-ins
- Mobile accessibility to hotel services
- HR Support systems

And from a project point of view this stems toward the personalized control of rooms in the form of an app. Control of lighting (colour/ brightness), air conditioning, audio and visual.

Cost efficiency and drivers

Energy efficiency through technology is a move for the future, especially in tropical regions. Ability to control areas more accurately while guests are in them and use a “stand-by” mode when the areas are vacant is a point we are making to owners more and more. It has direct effect on the bottom line profitability of a hotel. Also, advising owners on the correct systems to use in different climates and for different property layouts has proven to be more economical as well as reducing repairs and maintenance when specified correctly.

Technology investments and process improvements

Smartest technology investments are energy monitoring solutions that directly interface with the PMS system to move the hotel industry toward more automation. People are expensive and unpredictable, but there is still a human element required at the service end, but the more you are able to centralize control of the back of house, the less exposed you are to the unskilled labour market, and you can spend money more efficiently on specialized people.

Good innovative hotel systems. Because people are expensive, they are often best placed in a position where they can sell the product or provide a better guest experience. Good hotel systems means you can employ less people to shuffle paper and more people and technology to make your product better.





***GHN 2016 Outlook:* Alan J. Fuerstman Montage Hotels & Resorts**



*Alan J. Fuerstman
Founder & Chief Executive Officer
Montage Hotels & Resorts*

Initiatives and innovative technology

We continually seek to make emotional connections with our guests. One of the most exciting initiatives we have introduced is a program called Montage Expeditions. This program allows our guests to experience truly once-in-a-lifetime curated experiences, all while still enjoying the service and hospitality Montage is renowned for. Our first Montage Expedition was called “Montage to Moab” and allowed guests and resident owners at Montage Deer Valley to take a private plane on a day trip of Moab to experiences Arches National Park. In 2016 we will introduce a number of other Montage Expeditions including longer itineraries in destinations such as Hawaii and South Carolina. Earlier this year we announced our first Literary Ambassador, *New York Times* best-selling author, Brad Meltzer. Every hotel will integrate his children’s series, *Ordinary People Change the World*, into our Paintbox program for children ages 5-12.

On the technology side, our guests continue to look for simplicity and convenience amidst the hustle and bustle of today’s world. At Montage Beverly Hills, digital technology has allowed us to place all the amenities of our hotel within their hands in a tablet device. Guests may order In-Room dining, place housekeeping or Concierge requests and even adjust the room’s temperature and lighting. We are also able to better serve our international guests by offering local area information and digital newspapers and magazines from around the world. As smartphone technology is interwoven into everyday life, guests will be able to synch their favorite apps through the



Smart TV and stream Netflix, Hulu and Pandora together with TV and movies on demand.

Cost efficiency and drivers

We see cost of distribution as one of the largest efficiencies in terms of reducing costs. By giving our guests a world class website experience, we have exponentially increased our electronic direct business. In addition, Montage has always had an unwavering commitment to the professional travel agency community and while others have worked to marginalize or mitigate this business, Montage has committed more resources to this valuable channel.

Technology investments and process improvements

The smartest technology investments are those that allow us to continue to attract and retain the best of the best in the hospitality industry. When the cycle shifts to a down market, people who have made emotional connections with our associates and destinations will still find a high rate of enjoyment and return.

Montage

HOTELS & RESORTS



***GHN 2016 Outlook:* Stephen Ho
Starwood Hotels & Resorts
Worldwide, Inc.**



*Stephen Ho
President, Asia Pacific
Starwood Hotels & Resorts Worldwide, Inc.*

Global travel is booming on the business and leisure fronts. Travel and tourism account for 9% of the global GDP and it is growing by 4% annually—a faster rate than financial services, transportation and manufacturing. Emerging markets such as China, India, Indonesia, Philippines, Thailand, Myanmar, Malaysia, Brazil and Mexico continue to play an important role in the exponential growth of business and leisure trips. Over the last few years, we have seen the number of people traveling abroad from China double to 120 million last year—making China the largest source of outbound travelers—and this figure is forecasted to grow to 200 million by 2020.

Initiatives and innovative technology

There has also been a lot of talk around millennials and growing middle income households and how hospitality companies are coming up with ways to meet the demands from this market. What is also interesting is how the hospitality industry can capture this generation in the meeting industry. That is, understanding how the new middle income customers especially in China and India research and book their meetings. They expect technology, including fast Wi-Fi, hybrid content, social media conversation, web-based audience participation platforms, comprehensive event apps and other tech to be seamlessly integrated into modern meeting design. As the



technology savvy generation continues to grow and affect the meeting industry, companies need to stay on track to implement next generation meeting design and event technologies. For example, at Starwood, we have a global portfolio of over 1,250 hotels and offer a variety of meeting spaces and offerings that are accessible through our SPG booking site and a professional online platform such as SPG Pro, allowing us to serve our global customers in the best ways possible. Given the rapid technological innovation and advancement, as well as shifting consumer lifestyle demands, companies need to be quick to respond to these factors, as well as agile in adapting to such changes.

Technology investments and process improvements

Mobile and digital technologies enable personalization, and we're leading with digital, mobile and wearable technologies that improve the guest experience and boost loyalty. In the last five years, Starwood has invested \$500 million in technology and efforts to personalise our guests' experiences. Since the launch of SPG Keyless in 2014, for example, 258,000 SPG members from 130 countries have registered for Keyless, which lets guests skip the check-in desk and use their mobile phone or Apple Watch to unlock the hotel room door. Additionally, we recently launched the redesigned SPG app that now boasts a streamlined interface, stronger integration with SPG Keyless and a more robust "in-stay" mode with local recommendations.





***GHN 2016 Outlook:* Gabrielle Escarrer Jaume Meliá Hotels International**



*Gabriel Escarrer Jaume
Vice Chairman and CEO
Meliá Hotels International*

We welcome 2016 with moderate optimism, confident that international tourism will continue to enjoy a positive outlook, in spite of the regional imbalances caused by crises and what the Secretary General of the UNWTO, Taleb Rifai, recently defined as the "forces of darkness" of terrorism, war and instability in general. In the hotel industry, the new year looks generally positive for companies that are able to innovate and adapt, even though some segments and business models will continue to be more exposed to the crisis and the high risks in the industry.

Initiatives and innovative technology

For Meliá Hotels International, 2016 is the year that we will begin a new Strategic Plan which will provide the road map to further strengthen the Group as a global leader in hotel management: moving forward with our digital transformation, continuing to increase our international presence and leadership in the resort segment, enhancing our hotel brands in general, and positioning ourselves as one of the best employer brands. All of this presided over by three major drivers: innovation, efficiency and customer experience.

In 2016 our company celebrates its sixtieth anniversary, and the key to our longevity at the forefront of such a dynamic industry has always undoubtedly been innovation. We have always been pioneers in product development, brand internationalization, and customer service and experience. Globalization and the rapid changes in the modern era have forced us to go even further, driving a transformation in the industry which has



begun in resort hotels and will represent a milestone in the evolution of the so-called "sun and beach" tourism.

The relaunch, in summer 2014 of four new concepts for our Sol Hotels brand, doyen of the resort industry in the Mediterranean area, to create the Sol House, Sol Beach House, Sol Katmandu Park & Resorts, and Sol Hotels brands, has allowed us to move away from the "commoditized" resort product focused 100% on the distribution network, to a more segmented and personalized product, attractive for direct sales and highly customer focused. The results and the market acceptance of this transformation process could not have been more positive, both in terms of increases in ARR as well as in direct sales, quality and satisfaction, also becoming the catalyst for major strategic alliances such as the one signed in 2015 with Starwood Capital for the initial development of eight renovated resorts in the Mediterranean.

Innovation is also behind the evolution of our best city hotels towards a "bleisure" concept which combines the business experience of city visitors with a leisure experience accompanied by culture, gastronomy, wellness, etc. Affected by growing demand and changing travel behaviour, this trend is being led by our city hotels in Asia Pacific, 75% of which are focused on Bleisure, compared with 45% of our hotels in America and 30% in Europe.

These developments have allowed us to optimize our occupancy and also improve rates and additional revenues, at the same time maximizing our direct sales through melia.com, which has seen annual growth of 25% over the past three years, and which, thanks to its flexibility and capacity to generate both inbound and outbound business, remains an essential sales tool to ensure the future of the company and its flexibility in the face of future regional crises.

The above examples perfectly illustrate the transformational and innovative spirit of our Group, something which is absolutely essential today to enhance the value added by our brands, the customer experience, and our product profitability, at the same time defend the Company against the threats of commoditization and competitive business models such as Airbnb and the like.





***GHN 2016 Outlook:* Omer Kaddouri**
Rotana Hotel Management
Corporation PJSC



Omer Kaddouri
CEO & President
Rotana Hotel Management Corporation PJSC

Initiatives and innovative technology

Rotana has aggressively embraced customer-driven smart technology to enhance guest convenience and comfort at its properties, introducing a number of innovative ways that allow guests to use smart devices to speed up the decision-making and booking process while cutting down on administrative tasks related to registration and payments. Guests at several Rotana properties can now check-in online via rotana.com and the Rotana Mobile App, and can also avail of the Tablet Check-In and Check-Out service. Additionally, Rotana has introduced an online Restaurants and Table Management System that centralizes guests' profiles, allows social media integration, email and SMS reservation confirmations, and integrates with popular restaurant booking sites.

Cost efficiency and drivers

Continuous change and advancement in technology is increasing year on year. In order to stay competitive and up to date in today's challenging world we had to change the way we as a company deliver exciting and new technologies. A few years back, we started centralising IT services at an application level in terms of infrastructure and application management, and this year we embarked on a bigger scale project, where we will be building a private infrastructure to run centrally all our hotels' applications and IT services. This will allow our hotels to benefit from the latest technology at an affordable cost for all brands. Alongside the centralised IT infrastructure project we will be analysing the possibilities of centralising IT services and operation.



Technology investment and process improvements

Hotels' main aim is to always increase customer satisfaction by providing them with value, convenience and comfort. Applying new technology is definitely an achievement to reach that goal but we should be mindful to invest in technology that guests actually want and need.

In addition to boosting convenience for guests, smart online systems also benefit the company—they allow the seamless integration of information, offers and promotions which enables intelligent upselling and consolidates customer preferences and booking trends to ensure customers are offered the service and products they want when they want it.

The investment in smart systems and technology is helping our colleagues perform more efficiently while simultaneously allowing us to mine information to enhance our operations even further—the end result will always be a better experience for our guests. Technology today plays a huge role in boosting performance and ensuring we are a competitive and preferred brand in the markets in which we operate.



***GHN 2016 Outlook:* Kirk Kinsell**
Loews Hotels & Resorts



Kirk Kinsell
President & CEO
Loews Hotels & Resorts

Good things are happening in our industry, and I'm looking forward to what the next few years will bring. The U.S. economy is fighting back, with increased consumer spending, which bodes extremely well for continued industry demand and ADR growth. We are cautiously optimistic and expect to see moderate supply growth for the next few years, and the demand is projected to be ahead of that supply.

Outside of the U.S., there are signs of weakness in global demand drivers yet we still have not seen the full force of inbound international travel or even the surplus that can come from a greater focus and support of the White House on the travel sector. We are still concerned about infrastructure in the United States and what this could mean for international travelers.



LOEWS
HOTELS • RESORTS



***GHN 2016 Outlook:* Thorsten Kirschke
Carlson Rezidor Hotel Group**



*Thorsten Kirschke
President
Carlson Rezidor Hotel Group, Asia Pacific*

Initiatives and innovative technology

Radisson Blu recently launched “BluPrint,” a new interior design program for Carlson Rezidor’s global portfolio of hotels. BluPrint is a vehicle of Radisson Blu’s organic evolution of the brand’s DNA and design is an important piece of the DNA. Today, Radisson Blu has nearly 400 hotels in operation and under development in 90 countries.

Combining iconic, stylish and sophisticated characteristics, this dynamic and innovative concept employs visualization technology to bring its design affinity to life. With the guest in mind, it combines local cultural elements, comfort and the appeal of a bespoke location design theme that appeals to our guests’ evolving behaviors and expectations.

It also benefits our owners and investors in providing distinctive and localized styling that achieves process efficiencies across interior design and refurbishments. The multi-functional guideline allows inventory flexibility in terms of materials and color scheme. Moving forward, BluPrint begins implementation this year and will form an integral component of the brand’s comprehensive renovation and refurbishment program.



Cost efficiency and drivers

Labor cost and manpower. We drive efficiency by training and development and reduce turnover by providing a constructive long-term career environment.

The hospitality industry provides not only a job, but a professional career. Meaningful purpose and follow through are key elements to building employee loyalty, reducing turnover and improving guest services.

Technology investment and process improvements

Every non-technology firm and industry at large should carefully assess to which degree technology is core or complementary to the backbone of a business. Critical aspects are clearly the short investment cycle when trying to keep up to date on technology while making it a key distinction.



CARLSON

REZIDOR
HOTEL GROUP



GHN 2016 Outlook: Clement Kwok
**The Hongkong and Shanghai
Hotels, Limited**



Clement Kwok
CEO
The Hongkong and Shanghai Hotels, Limited

We are optimistic for the outlook of the global hospitality industry in 2016, despite some uncertainties in the tourism industry in our home market of Hong Kong. We believe that the domestic Chinese mainland market will continue to grow, especially among high-end affluent travellers who are seeking new and unique experiences. While both the Shanghai and Beijing five-star hotel markets are currently over-supplied, we believe that the two Peninsula hotels in these cities will be able to differentiate with their superior products, especially following the full renovation of The Peninsula Beijing. Elsewhere in Asia, we continue to see strong and increasing demand in Tokyo, and Bangkok continues to recover following the relaxation of martial law which was previously imposed in that country.

In the U.S., the economic outlook is positive and we are well-positioned to benefit from the projected growth in consumer spending. In Paris, business has been affected by the tragic terrorist attacks in 2015. However, we have been seeing some pickup since the beginning of 2016 although this period is in the winter low season and we are looking to a stronger recovery in the leisure market from spring onwards.



Initiatives and innovative technology

The Peninsula has always been at the forefront of innovation. As technology evolves, it also brings many opportunities to shape the future of the entire travel industry and the guest experience. Today's elite travellers expect not only unsurpassed luxury but also the most sophisticated technology, seamless connectivity, convenience and fast service at the touch of a button. Despite the advance of technology, we firmly believe that personalised attention to detail will always be the most important aspect of good service when one is travelling away from home. We endeavour to strike a balance between high-tech service and the warm personal touch that represents The Peninsula hospitality.

To enhance our guest experience, The Peninsula's latest innovation features a truly personalised in-room experience. Designed in-house by our team of research and technology engineers, the fully customised interactive digital bedside, desk and wall panels are being rolled out in our newly renovated properties. Pre-set in 11 languages, the tablets control all in-room functions with a simple touch, including the in-room compendium of restaurant menus, hotel services, the "PenCities" virtual city guide. We look forward to continuing to create delightful experiences for our guests in the year ahead.





***GHN 2016 Outlook:* Christopher J. Nassetta Hilton Worldwide**



*Christopher J. Nassetta
President & CEO
Hilton Worldwide*

Overall, I continue to feel good about the operating fundamentals of our business around the world.

In 2016, we're also set up to have another very good growth year. We are coming off of a record year in new deal signings of over 100,000 rooms. And we have the largest pipeline in the industry with more than 275,000 rooms, over half of which are under construction – representing nearly 20% of all rooms under construction globally.

Initiatives and innovative technology

Our goal is to personalize the guest experience throughout the entire travel journey in a simple and inspiring way, and over the last several years we've made several technology investments that have paid off incredibly well. Our guests have checked in more than 10 million times since Digital Check-In launched in June 2014, and have used more than 88,000 Digital Keys since we began our rollout in August 2015. We also had more than 2.5 million guests download the Hilton HHonors app in 2015, and we continue to have the #1 rated mobile app in the industry.

Cost efficiency and drivers

Right now our focus is on further simplifying our business strategy and investing in the areas of our company that deliver the highest returns. One of the ways we're doing this



is by separating our real estate and timeshare segments to form two additional publicly traded companies by the end of 2016. This move will allow all three businesses to benefit from a dedicated management team with the capital and resources available to take advantage of both organic and inorganic growth opportunities.

Technology investments and process improvements

At the end of the day, we are in the business of serving people, and outstanding service is the key to our success. Our guests' wants and needs are continuing to evolve, and we have to find ways to deliver for them and to earn their loyalty regardless of economic conditions. For Hilton, that means offering guest technologies that are easy, relevant and very functional, as well as strengthening our distribution channels and focusing on our direct relationships with our guests.





GHN 2016 Outlook: Paulo Pena **Wyndham Hotel Group**



Paulo Pena
President and Managing Director
Wyndham Hotel Group
Latin America and Caribbean

Latin America and the Caribbean present an extraordinary growth opportunity within our industry. Both regions offer incredible cultural experiences throughout their unique geographical landscapes. Travelers can experience wonders like the mystical Machu Picchu ruins in Peru, the unparalleled energy of Rio de Janeiro's Carnival in Brazil and its famous Cristo Redentor statue, the spectacular engineering of the iconic Panama Canal, and the invigorating Iguazu Falls in Brazil and Argentina. The beauty of these emerging markets and the steady expansion of its international tourism industry offer an unmatched opportunity for the hotel industry and Wyndham's international growth.

In 2015, Wyndham Hotel Group achieved record-breaking growth with the addition of more than 5,000 rooms in Latin America and the Caribbean, a 90% increase to 2014. We introduced four new brands to five key countries: our flagship Wyndham Hotels and Resorts® brand in Argentina and Brazil; Baymont Inn & Suites® in Mexico; TRYP by Wyndham® in Puerto Rico and Mexico; and Days Inn® in Guatemala. We announced our first managed hotel deal in Barbados, scheduled to open in 2018 under the Wyndham Grand® brand. And we doubled the membership of our award-winning loyalty program, Wyndham Rewards® in the region.

Wyndham Hotel Group Latin America and Caribbean is now home to more than 157 hotels and 18,000 rooms in 18 countries across 11 brands, ranging from economy, to midscale and upscale segments. Guests and local partners can take advantage of our



global distribution as well as the scale benefits afforded being part of Wyndham Worldwide, one of the world's largest hospitality companies.

Our existing presence combined with the accelerated strengthening of our resources in the region, has set a strong foundation for our continued expansion. The opportunity is clear and we have been building the tools to succeed. In 2016, our fast-growing Latin America and Caribbean regional leadership team of passionate and diverse professionals, each with unique regional experience, will continue to focus on enhancing Wyndham Hotel Group's position in the region as well as offering guests a memorable and seamless travel experience via each of our unique brands.

Last year our franchisees were able to begin to take advantage of the investments Wyndham Hotel Group has been making and will have the opportunity to learn more about these industry-leading changes directly from our senior executives both at our regional conference in Ecuador in April and our global conference in September. Wyndham Hotel Group is leading transformational changes, including the roll-out of Sabre's best-in-class, cloud-based SynXis Central Reservation and Property Management systems, which allow for seamless management of rates, inventory, and maximum global distribution across brand direct and third party channels; our focus on defining and differentiating each of our brands; the enhancement of our global reservation and guest services including the recent opening of our Contact Center in Mexico City with trilingual (Spanish, Portuguese and English) associates; our growing regional sales team's efforts to continuously drive business with the company's large global accounts; and the reinforcement of our global sourcing program, guaranteeing the quality of each of our global brands, while also delivering scale efficiencies to franchisee partners.

As the world's largest hotel company, we continue to work closely with expert franchisee and management partners to develop and deliver the most unique and inviting travel experience that only the Latin American and Caribbean region truly can offer.





***GHN 2016 Outlook:* Mark Satterfield Marriott International MEA**



*Mark Satterfield
COO
Marriott International MEA*

Initiatives and innovative technology

Marriott International is recognised as a leader in the use of technology and in developing new innovations to enhance the guest experience.

Marriott's Mobile App, Mobile Requests, enables guests to customise their stay, in five languages: English, Spanish, Chinese, French and German. It is available exclusively to the 55 million members of the company's award-winning loyalty program, Marriott Rewards. The app enables guests to chat in real time directly with hotel staff to answer questions, or request services and amenities from 72 hours before their arrival and throughout their stay.

Guests with an upcoming reservation can use Mobile Requests to instantly communicate with staff hotel in two ways: they may choose from a drop-down menu of most requested services and amenities, such as extra towels, bath amenities, or valet parking; or begin a two-way chat with hotel staff using the "Anything Else" option.

This is an important innovation for next generation travellers, whose stay becomes seamless, intuitive and fulfilling. Guest surveys highlight that the app has contributed to a rise in overall satisfaction.



The Mobile Requests app follows other innovations spearheaded by Marriott International, e.g. mobile check-in, check-out and room ready alerts. Marriott is currently piloting other new mobile services, such as Mobile Key, an innovation that allows guests to use their mobile phone as a room key.

Technology investments and process improvements

In order to drive deeper engagement and loyalty with our customer, we are constantly enhancing the Marriott Rewards program to be relevant to our guests in every aspect of their lives—not just when they have accrued enough points for travel, and not just when they have a trip planned. We are providing guests with experiences that enable them to enjoy the benefits of loyalty in ways that are most meaningful to them.

One example of this is the recent announcement of our [“Fab Four”](#) benefits, giving our 55 million members worldwide greater freedom in their reward travel. Members are now able to share points among more friends and family, book stays with a mix of cash and points more conveniently, book travel in advance before having accumulated sufficient points. This means that Rewards members have greater flexibility in their travel, through a less complicated and more seamless program.

Our MegaBonus global promotion currently in place makes it even easier for members to earn bonus points through stays and get more out of their travel experience. Launched in February, it runs until 15th May 2016. In terms of this promotion, members will earn a free night after their second paid stay at our participating properties.





GHN 2016 Outlook: Paul J. Sistare CHA
Atlantica Hotels International



*Paul J. Sistare CHA
President and CEO
Atlantica Hotels International*

Atlantica Hotels International is doing quite well in spite of the current political and economic conditions. Brasil's economy has contracted 3.5% in 2015 and the projection is for the same in 2016 however: after the first 90 days of this new year; I believe the official projections are optimistic. Going into an unprecedented 3rd year of recession with no bottom in sight; I believe the official contraction rate will be adjusted further in the very near future.

In my opinion, Brasil will languish until after the elections in 2018 and then we shall see. The immediate effect on our business is a dramatic negative impact on our RevPar as you can imagine given that the market is frozen to focus on the political issues including the impending decision to impeach the president. Now that more concrete evidence of blatant corruption is surfacing ensnaring almost the entire membership of the President's Party including the former President; it would seem that some form of impeachment is more likely if not an outright resignation. The result of the current situation has been that of an ambience of political uncertainty that has put both the domestic and international business traveler on the sidelines as they wait to see how this unfortunate situation stakes out. Business travel as a discretionary expense has been dramatically reduced both by the domestic and international traveler. As a



consequence of the instability in the political arena, unemployment is at record highs and all industries are seeking efficiencies to weather the continued storm.

Only a few weeks ago, well over 5 million Brazilians took to the streets in a peaceful protest against the government and we certainly expect an acceleration of both organized and impromptu protests as we approach the Olympic games. While many may believe that the Olympic Games may be a catalyst for Brasil which will certainly positively impact hotel occupancy in the greater city of Rio de Janeiro; it would appear that the development community did not learn the lesson from the World Cup. Well over 15,000 rooms have been projected to be added to the greater Rio de Janeiro inventory with the government providing significant incentives for what is to be essentially a 45- day event in a single location in the vast country of Brasil. As with the World Cup, the developers and investors of new projects have not given much thought to what will happen to their asset after the Olympic games. If results are anything like the oversupply in many cities of Brasil today that is one of the fundamental causes of the precipitous decline in consolidated Brazilian RevPar; our industry will continue to suffer occupancy declines. Couple the oversupply with the current corruption revelations, political uncertainty and the decline of the Brazilian Real, we see a long path to eventual recovery.

However as with any crisis, opportunity abounds. With respect to hotel companies such as Atlantica; unbranded, under branded and under managed hotels are seeking our services and we had a record year last year in new hotels coming into our system. In the month of December alone, we opened 4 new hotels including the first Radisson Blu in South America. Moreover, in the first 90 days of 2016, we have converted 5 (1,095 rooms) new hotels to the Atlantica management group including the first Hilton Garden Inn in Brasil. Atlantica announced in early March, our exclusive representation and development of the Hilton Garden Inn brand which increases our brand family to 12 brands which is a statement by Atlantica that we believe in Brasil.

In summary, I believe it will continue to be a tough road ahead and not getting any better in terms of operating hotels but in terms of growing the company; it is brighter. While we expect to grow our enterprise to be over 100 hotels by year end 2016, I believe that we will also see a consolidation of companies here in Brasil as the weaker management and domestic brand groups will suffer in declining fee incomes and a defection of the hotel owners to stronger hospitality entities which can provide some shelter in this economic storm. In some cases as we have seen in the past, I believe we will also see hotel inventory leaving the market and being re-purposed as residential or



perhaps offices. If there is any good news, it is that when the hospitality industry has a steep decline; the recovery is far more rapid than other industries. The question we have in Brasil after enduring the worst continuous economic period in history and going into our third year of recession with no sign yet of the bottom, is when...





GHN 2016 Outlook: Richard Solomons
InterContinental Hotels Group



*Richard Solomons
Chief Executive Officer
InterContinental Hotels Group*

This is a dynamic and innovative industry which is benefiting from some really favourable tailwinds and consumer trends. It is also a very diverse industry, particularly when you look at the broader accommodation space we operate in, which has a number of different segments meeting a wide variety of guest needs. Hotels are by far the largest segment, with branded hotels continuing to generate the fastest revenue growth of all.

From IHG's perspective, we saw really strong momentum in the business in 2015 and delivered our highest room openings since 2009 and our best signings since 2008. This has given us a good platform to go into 2016 with confidence and in a position of strength. There is clearly an element of uncertainty in some parts of the world, but prospects remain very good and the outlook for the industry in 2016 is positive.

Scale has been a hot topic in our industry over the last twelve months and in January 2016, we announced that we had opened our 5,000th hotel. Scale is, of course, very important in what is a fragmented industry, and we are focused on building and leveraging relevant scale, which is not just a numbers game. It is also about making clear strategic choices; investing in the right projects at the right time; building relevant scale in our priority markets such as the U.S. and China, and building differentiated capabilities in terms of our consumer technology offer through digital innovations.



Initiatives and innovative technology

Technology and digital innovation both play a really important role in being able to deliver guest needs throughout the entirety of the “Guests Journey” (Dream, Plan, Book, Stay and Share). It is also one of the ways in which we build a meaningful relationship with our guests, built on trust and loyalty. In fact, this was the theme of the 2016 IHG Trends Report which focused on the ability to drive significant brand preference through connecting guests in a meaningful way to the brand and recognising that guests seek both individuality and inclusivity. A good example of what we are doing in this area is the next generation Guest Reservation System (GRS) we are developing with Amadeus. It will ultimately mean that we're able to adapt to ever-changing guest needs faster and in a more personalised and individual way. The themes of “technology” and “loyalty” will continue to be a key focus for us as we go into 2016 and beyond.

Looking ahead to 2016, we will be celebrating some important milestones for our brands and in particular, the 70th anniversary of the InterContinental Hotels & Resorts brand and the 25th anniversary of the Holiday Inn Express brand. We will remain focused on evolving and developing our brands and on executing our strategy at pace.





***GHN 2016 Outlook:* W. Edward Walter Host Hotels & Resorts**



*W. Edward Walter
President & Chief Executive Officer
Host Hotels & Resorts*

We are cautiously optimistic about the fundamentals in our industry for 2016 as nationwide supply growth is approaching the long term average of 2% for the next couple of years. However, over the last three years, demand growth has averaged more than 3% in the top 20 markets but consensus forecasts suggest it will moderate slightly in 2016, given the weak economic growth in the 4th quarter, and the general lowering of GDP growth forecast for 2016. We are also watching international travel carefully, as it impacts the gateway markets. On the positive side, group booking trends look strong heading into 2016 and negotiated rates in most markets have increased more in 2016 than they did in 2015, providing support for transient rate growth.

Initiatives and innovative technology

We continually strive to work with our operators to enhance the guest experience through the use of innovative technologies. One area of focus has been on the enhancements of mobile technology. Mobile apps are now being used at many of our hotels for check-in, on-demand service requests, the ability to select a specific room prior to check-in (similar to selecting an airline seat), and keyless entry.

Cost efficiency and drivers

Cost efficiency is a key focus for hotel owners and labor is the largest expense for any hotel. Therefore, we focus heavily on maximizing labor efficiency. We have enhanced processes and labor management systems to improve productivity; constantly



evaluating labor standards, improving forecast accuracy and scheduling appropriately to demand on a day-to-day basis. Consolidation of job positions is another way to drive labor efficiencies. We also leverage technology to improve productivity, reduce cost and improve the guest experience. For example, use of REX (room expeditor) in housekeeping empowers staff to turn rooms faster while improving guest experience by reducing wait times. Another area we see cost efficiency opportunities is to re-think the traditional room service models. We are working with our managers to develop innovative room service delivery options to guests (for a reasonable price) in a cost effective manner.

Technology investments and process improvements

We as an industry need to focus on technologies that enable hotels/brands to understand individual guest preferences and deliver personalized and unique experiences. We need to seamlessly integrate guest experience and address service needs in real-time, which we have already started to do with mobile technology.

Looking into the future, we should focus on automation technologies that help re-invent the hotel operating model and delivery of service ultimately driving improved productivity and guest experience. We need to also continue to focus on technologies that further enhance labor management systems and its integration with sophisticated forecasting tools that would allow scheduling and procurement of labor on-demand.





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